

PURCHASE ORDER TERMS AND CONDITIONS

ACCEPTANCE: This purchase order ("Order") constitutes an offer by A/Z Corporation ("Buyer") to the supplier to whom this Order is issued ("Seller") to purchase the goods or services covered by this Order (the "Products") exclusively upon the terms and conditions of purchase set forth herein and in the Order and shall become a binding contract including such terms and conditions upon either issuance of an order acknowledgement hereof by Seller or commencement of performance hereunder by Seller. Seller's commencement of performance pursuant to this Order shall be deemed unqualified acceptance of the terms and conditions of purchase set forth herein. No contrary or additional terms or conditions of sale proposed by Seller will be accepted by Buyer and any such proposed contrary or additional terms or conditions proposed by Seller are hereby rejected by Buyer unless otherwise indicated in a written instrument signed by an authorized representative of Buyer making specific reference to this Order and the specific contrary or additional terms proposed by Seller.

PRICES: Unless otherwise stated to the contrary on the Order, the prices shown on the Order include all charges for packing, crating, handling, transportation to the point of delivery and applicable federal, state and municipal taxes and duties. Seller warrants that the prices shown on the Order are no greater than those currently charged or quoted to any other buyer for similar quantities of Products. Seller shall promptly refund to Buyer any sums paid by Buyer in excess of such prices.

DELIVERY: Seller acknowledges and agrees that Buyer's business and operations are dependent on receipt of the Products and performance of the services that are the subject of this Order. It is agreed that timely delivery of the Products is essential to the performance of Seller's obligations hereunder and that time is of the essence with regard to said performance. Deliveries shall be made at the times and of the quantities specified in the Order, and Seller shall not, without the written consent of Buyer, make shipments in advance of such schedule. Buyer may mandate expedited routing in place of scheduled routing if necessary to meet schedule or recover time lost by any delay, in which event any excess transportation costs shall be paid by Seller. Buyer may postpone delivery of any of the Products. TIME OF DELIVERY AND IS OF THE ESSENCE OF THIS ORDER.

INSPECTION: Buyer shall have the right to inspect and test the Products covered hereunder at any time during the manufacture or fabrication thereof at Seller's facilities or elsewhere. Final inspection and acceptance shall be after delivery to the delivery point designated by Buyer. Acceptance of any Products shall not alter or affect the warranties of Seller referenced herein. If any of the Products are found at any time to be defective in material, workmanship, quality, quantity or otherwise not in strict conformity with the requirements of the Order, Buyer, in addition to any rights that it may have under warranties or otherwise, shall have the right to reject and return such Products for full credit, all charges collect including incoming charges. Without limiting the foregoing right of rejection, Buyer shall have the right to require prompt replacement, repair or correction of defective Products at Seller's risk and expense. If Seller is unable or unwilling to effect such replacement, repair or correction, Buyer may do so by using methods it deems the most expedient and shall be entitled to charge Seller for excess costs and damages directly or indirectly occasioned thereby.

RISK OF LOSS: Unless the Order expressly states otherwise, all goods shall be shipped FOB: the "Deliver to" location designated in the Order. Risk of loss shall not pass to Buyer until the Products called for in this Order actually have been received and accepted by the Buyer at the destination designated in the Order. Supplier assumes full responsibility for packing, crating, marking, transportation and liability for loss and damage even if Buyer has agreed to pay freight or other transportation charges.



PAYMENT: Seller shall be paid upon submission of properly prepared invoices in accordance with Buyer's invoicing instructions for Products that have been delivered to and accepted by Buyer. Any adjustments in Seller's invoice due to shortages, rejection or other failure to comply with the provisions of the Order may be made by Buyer before payment. Discount periods shall commence ten (10) days after the latest of (1) scheduled delivery; (2) actual delivery; or (3) receipt of invoice; discounts are the standard customary discounts afforded Buyer by Seller. Unless expressly otherwise provided in the Order, Buyer shall not be liable for any shipping, handling, fuel surcharges or similar fees. Invoices shall have sales and use taxes itemized separately. Standard non-customary Seller payment terms are Net 30 unless otherwise stated in the Order.

CHANGES: No change, modification or extension of the Order shall be effective against Buyer or Seller unless it is made in writing making specific reference to the Order and is signed by an authorized representative of Buyer.

WARRANTY: Seller expressly warrants that Products sold and delivered to Buyer hereunder shall be in full and strict conformity with Buyer's specifications set forth or referred to in the Order. Products sold and delivered to Buyer shall be new, fit and sufficient for the use intended by Buyer and shall be merchantable and of good quality and workmanship and free from defects. The foregoing warranty shall survive any acceptance of the Products by Buyer and shall be in addition to any warranty expressly furnished or represented to Buyer by Seller. Seller shall defend, indemnify and hold harmless Buyer and its customers from and against any and all costs, including reasonable attorneys' fees incurred, expenses, damages, losses, liabilities, penalties and judgments attributable to any Products delivered hereunder that fails to conform to the warranty set forth herein or which is otherwise implied by applicable law.

TERMINATION FOR DEFAULT: Buyer may terminate the Order or any part thereof for cause in the event of any default by the Seller or if the Seller fails to comply with any of the terms and conditions of the Order. Late deliveries, deliveries of Products which are defective or which do not conform to requirements of the Order and failure to provide Buyer upon request, reasonable assurances of future performance shall be causes for allowing Buyer to terminate the Order for cause. In the event of termination for cause, Buyer shall not be liable to Seller for any amount including cancellation charges and Seller shall be liable to Buyer for any and all damages sustained by reason of the default which gave rise to the termination. Any termination for cause by Buyer of Seller that is subsequently determined to have been in error shall be deemed to have been a termination for convenience as provided for herein and the parties' rights and remedies shall be adjusted accordingly.

TERMINATION FOR CONVENIENCE: Buyer shall have the right to terminate the Order or any part thereof without cause and without prejudice to any right or remedy, for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause all of its suppliers and subcontractors to cease such work. Seller shall be paid a reasonable termination charge consisting of a percentage of the Order price reflecting the percentage of work performed prior to the notice of termination. Such charge shall be Seller's sole remedy for the termination. Seller shall not be paid for nor be entitled to payment for any work done by Seller or its suppliers and subcontractors performed after the date of the notice of termination.

DISPUTES: Claims, disputes and matters in question arising out of or relating to the Order or the breach thereof, shall be decided by arbitration and shall be conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then and there in effect. The parties expressly agree that the arbitration hearings shall be conducted at a location selected by A/Z and administered by the American Arbitration Association regional office physically located closest to the hearing locale. Pending resolution of any dispute hereunder, Seller shall proceed diligently with the performance of work, including



the delivery of goods in accordance with Buyers direction. Upon resolution of the dispute, the Order shall be equitably adjusted, if necessary, to reflect such resolution. Buyer and Seller waive their right to a jury trial with regard to any dispute arising in connection with the Order.

INDEMNITY: To the fullest extent permitted by law, Seller shall indemnify, defend and hold harmless Buyer and its affiliates, parents, subsidiaries, officers, directors, agents, employees and representatives from and against all claims, demands, causes of action of whatever nature, damages, losses and expenses, including, but not limited to, attorneys' fees, arising out of or relating in any way to the performance or lack of performance of Seller including, without limitation, any such claim, demand, cause of action of whatever nature, damage, loss or expense arising out of or relating to the actual or alleged: (a) infringement of any patent, trademark, copyright or other intellectual property or proprietary right; (b) bodily or personal injury, sickness, disease or death or to damage to or destruction of any property including the loss of use therefrom; (c) any breach of the Order by Seller; or (d) to the extent any such claim, cause of action of whatever nature, damage, loss or expense is caused or alleged to be caused in whole or in part by any negligent, willful or intentional act or omission of Seller or anyone directly or indirectly employed by Seller or anyone else for whose actions Seller may be liable regardless of whether such claim, demand, damage, loss or expense is caused in part by a party indemnified hereunder.

INSURANCE: In connection with the Order, Seller, at its own cost and expense, shall obtain and maintain in force during the term of the Order, the following insurance coverage: (a) a policy of workers' compensation insurance, in amounts required by law, covering all officers and employees of Seller who are in any way engaged in or connected with the Order, and employer's liability insurance in an amount of not less than Five Hundred Thousand Dollars (\$500,000.00). Seller shall require its agents, sub-suppliers and subcontractors, who are in any way engaged in or connected with the Order to maintain the same insurance as required herein of Seller; (b) a policy of commercial general liability insurance with broad form property damage endorsement, personal injury and products completed operations coverage, affording protection in an amount of not less than Two Million Dollars (\$2,000,000.00) per incident and in the aggregate, with respect to personal injury, death, or damage to property; (c) If the Order contemplates professional services, a policy of professional liability insurance, including errors and omissions, affording protection of not less than One Million Dollars (\$1,000,000.00) per incident and One Million Dollars (\$1,000,000.00) in the aggregate, (d) a policy of comprehensive automobile liability insurance covering the operation of all motor vehicles used by Seller or its agents in connection with the Order affording protection in an amount of not less than One Million Dollars (\$1,000,000.00) combined single limit with respect to personal injury, death, or damage to property; and (e) a policy of excess liability insurance with a single limit of \$1,000,000.00 per occurrence.

All of these insurance policies shall be issued by insurance companies with an AM Best rating of "A" or higher and a financial strength rating of VII or higher or equivalent ratings provided by a disinterested, generally recognized rating agency. The commercial general liability policy shall name Buyer as an additional insured, and shall be written as primary coverage and not contributing with or in excess of any coverage that the Buyer may carry. Upon request, Seller shall furnish to Buyer a current certificate of insurance for each of the policies required above. Insurance coverage(s) provided under the Order shall not limit or restrict in any way the liability of Seller arising under or in connection with the Order. Such insurance shall not be canceled or terminated without ten (10) days prior written notice of any cancellation or termination.

LIMITS OF LIABILITY: Under no circumstances shall Buyer be liable to Seller or any third party for any incidental, indirect, special, consequential or punitive damage arising out of, or in connection with the Order, whether or not Buyer was advised of the possibility of such damage.



REGULATORY COMPLIANCE: The relevant equal opportunity employment and affirmative action requirements of Executive Order 11246, as amended by Executive Order 11375, the Rehabilitation Act of 1973, the Vietnam Era Veteran's Readjustment Act of 1974, the Veteran's Employment Opportunities Act of 1998 (VEOA) and the implementing rules and regulations are incorporated by reference herein. In addition, Seller shall comply with the Occupational Safety and Health Act and the Fair Labor Standards Act and all other applicable federal, state and municipal laws, ordinances, rules regulations, statutes, codes and directives.

Seller agrees to furnish all information and reports required by Executive Order No. 11246 as amended, and by the rules, regulations and orders of the U.S. Secretary of Labor, or pursuant thereto, and will permit access to Seller's books, records and accounts by the contracting agency and the U.S. Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

GOVERNING LAW: The validity, interpretation and performance of this Order shall be governed exclusively by the laws of the State of Connecticut without regard to its conflict of laws principles that would have a contrary result exclusive of the United Nations Convention on the International Sale of Goods.

CONFIDENTIALITY: All data and other information obtained by Seller from Buyer in connection with this Order, and any Products delivered to Buyer hereunder, shall be held in strict confidence by Seller and used solely for the purposes originally intended in connection with this Order.

INTELLECTUAL PROPERTY: Seller warrants that the Products delivered to Buyer hereunder and the use of the Products are free from any claims of alleged infringement of patent, copyright, trade mark, service mark, trade secret or any other intellectual property right of any other party. If any third party asserts such claim or allegation against Buyer or its customers, Seller shall defend, indemnify and hold harmless Buyer and its customers from and against any and all costs, including reasonable attorneys' fees, expenses, losses, damages, liabilities, penalties or judgments relating to such claim or allegation.

ASSIGNMENT: Neither this Order nor any duty or right under this Order shall be assigned or delegated without the prior written consent of Buyer. Any assignment not made in accordance with the terms and conditions of this Order shall be void and of no effect.

REMEDIES: The rights and remedies provided by Buyer herein shall be cumulative and in addition to any other rights provided by law or equity.

VENDOR CODE OF CONDUCT: Buyer's Vendor Code of Conduct details the guidelines and expectations for establishing and maintaining a positive business relationship with Buyer. To maintain a positive business relationship with Buyer, Seller is expected to understand and comply with the guiding principles contained in the Vendor Code of Conduct.

WAIVER: Buyer's failure to insist in any one or more instances upon the full performance by Seller of any term, covenant, obligation or condition imposed upon it by this Order shall not be construed as a waiver of any right available to Buyer hereunder with respect to such non-performance or as Buyer's condoning further non-performance